

Elimination of Federal Tax Credit: Yvon Bolduc Will Address Members of the House of Commons

Montréal, November 22, 2013 – On Monday, November 25, the president and chief executive of the Fonds de solidarité FTQ, Yvon Bolduc, will address the House of Commons' Standing Committee on Finance regarding the federal labour-fund tax credit. Also scheduled to appear before the Committee are Françoise Bertrand, president and CEO of the Fédération des chambres de commerce du Québec and Chris Arsenault, managing partner of iNovia Capital. These individuals represent prominent organizations which, like hundreds of others, have appealed to Ottawa to maintain its tax credit to labour funds.

On November 18, to the astonishment of many, senior officials at Finance Canada confirmed that the federal government had not conducted any studies on the economic impact of the proposed tax credit phase-out on venture capital and on the savings of the middle class. As well, these same officials were unable to say whether a comparative analysis had been performed between the \$2 billion offer made to the government by Québec's labour funds and Ottawa's *Venture Capital Action Plan*.

"The phase-out of the federal tax credit comes at a time when workers are very concerned about their retirement and will eliminate a major savings incentive for hundreds of thousands middle-class Canadians," said Mr. Bolduc. "This decision, which will translate into an average annual increase of \$425 in taxes for our shareholders, is hardly reassuring for small investors trying to plan for a better retirement."

It will be recalled that just a few days ago, prior to a speech by Prime Minister Harper, the president of the Board of Trade of Metropolitan Montreal, Michel Leblanc reiterated his support for labour funds as follows: "I would like to draw your attention to a couple of decisions that you could make, such as reconsidering the one to eliminate the tax credit to labour funds, which play a fundamental role in our economy."

About the Fonds de solidarité FTQ

Created in 1983, the Fonds de solidarité FTQ has been driving the Québec economy for 30 years. With net assets of \$9.3 billion as at May 31, 2013, the Fonds is a development capital fund that channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and further Québec's development. The Fonds is a partner, either directly or through its network

members, in 2,395 companies. With 615,664 shareholders-savers, the Fonds helps create, maintain or protect 170,915 jobs. For more information, visit www.FondsFTQ.com.

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